

# **LOS ESTEROS CRITICAL ENERGY FACILITY AMENDMENT #3 For 01-AFC-12**

Prepared for  
**LOS ESTEROS CRITICAL ENERGY FACILITY, LLC**

**July 2004**

# Contents

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	<u>Page</u>
<b>CONTENTS .....</b>	<b>I</b>
<b>1.0 INTRODUCTION .....</b>	<b>2</b>
1.1 OVERVIEW OF AMENDMENT .....	2
1.2 SUMMARY OF ENVIRONMENTAL IMPACTS.....	3
1.3 CONSISTENCY OF AMENDMENT WITH LICENSE .....	3
<b>2.0 DESCRIPTION OF PROJECT AMENDMENT.....</b>	<b>4</b>
2.1 PROJECT DESCRIPTION .....	4
2.2 NECESSITY OF PROPOSED CHANGE .....	4
<b>3.0 ENVIRONMENTAL ANALYSIS OF THE PROJECT CHANGES.....</b>	<b>5</b>
3.1 AIR QUALITY .....	5
3.2 BIOLOGICAL RESOURCES .....	5
3.3 CULTURAL RESOURCES.....	5
3.4 LAND USE .....	5
3.5 NOISE.....	5
3.6 PUBLIC HEALTH .....	5
3.7 WORKER SAFETY AND HEALTH .....	6
3.8 SOCIOECONOMICS .....	6
3.9 AGRICULTURE AND SOILS .....	6
3.10 TRAFFIC AND TRANSPORTATION.....	6
3.11 VISUAL RESOURCES .....	6
3.12 HAZARDOUS MATERIALS MANAGEMENT.....	6
3.13 WASTE MANAGEMENT.....	6
3.14 WATER RESOURCES .....	6
3.15 GEOLOGIC HAZARDS AND RESOURCES .....	6
3.16 PALEONTOLOGICAL RESOURCES .....	7
3.17 CUMULATIVE IMPACTS .....	7
3.18 LAWS, ORDINANCES, REGULATIONS, STANDARDS.....	7
<b>4.0 PROPOSED MODIFICATIONS TO THE CONDITIONS OF CERTIFICATION.....</b>	<b>8</b>
<b>5.0 POTENTIAL EFFECTS ON THE PUBLIC .....</b>	<b>9</b>
<b>6.0 LIST OF PROPERTY OWNERS.....</b>	<b>10</b>
<b>7.0 POTENTIAL EFFECTS ON PROPERTY OWNERS .....</b>	<b>11</b>

# 1.0 Introduction

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## 1.1 Overview of Amendment

The Los Esteros Critical Energy Facility (LECEF) is located near the intersection of State Route 237 and Zanker Road in the City of San Jose and is a nominal 180 megawatt (MW) simple-cycle power plant. The LECEF project was certified on July 2, 2002 by the California Energy Commission.

The LECEF is connected to PG&E's Los Esteros-Nortech 115 kV transmission line by a tapped overhead transmission line that is 152 feet in length. At the request of the Commission Staff, on July 17, 2003, the Project Owner filed a Petition requesting authorization to use this interconnection. The petition was approved by the Commission on January 21, 2004. (Order No. 04-121-06) However, the Commission's Order approved the interconnection only until July 2, 2005.

This Petition for Modification requests that Order No. 04-121-06 be amended by deleting the July 2, 2005 expiration date for the use of the current interconnection. As amended, the order would read, "The California Energy Commission hereby approves the Los Esteros Critical Energy Facility petition to use the already installed interconnection tap line."

On December 30, 2003, the Project Owner filed an Application for Certification with the Energy Commission to continue operation of LECEF Phase 1 beyond June 30, 2005 and to convert LECEF Phase 1 to combined-cycle operation (Phase 2). As part of the combined-cycle conversion, the Project Owner also seeks authority to change the point of interconnection and to connect the combined-cycle plant by means of short overhead lines, to a 230 kV transmission line owned by Silicon Valley Power.<sup>1</sup> If this Application for Certification is granted, the effect of this Petition is to allow the Project Owner to continue to use the current interconnection to PG&E so long as the facility operates in simple-cycle mode with a gross plant output of less than 195 MW.

The relief requested by this Petition will not have any adverse impact on the transmission system or on the environment. A System Impact/Facility Study issued by PG&E on March 24, 2003, indicates that, as long as the total gross output of LECEF Phase 1 does not exceed its existing simple-cycle level of 195 MW, a tapped interconnection of this facility to PG&E's Los Esteros-Nortech 115 kV would create no adverse transmission system impacts (Attachment A). This study was approved by the California Independent System Operator (ISO)

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<sup>1</sup> Condition TLSN-1 in the original LECEF decision, required that the permanent interconnection of LECEF be an underground interconnection to the new PG&E substation. In the Application for Certification for LECEF Phase 2, the Project Owner explains why an overhead connection to the SVP 230 kV line is preferable to an interconnection to the PG&E substation. This Petition does not require the Commission to decide at this time which permanent interconnection is best when the facility is converted to combined cycle operation. That is a decision that can be made in the AFC proceeding.

**LOS ESTEROS CRITICAL ENERGY FACILITY  
AMENDMENT 3**

Furthermore, in a letter dated April 27, 2004, the ISO confirms that, as long as LECEF remains a 195 MW simple-cycle plant and the existing protection scheme is adequate, the existing interconnection adequately satisfies the ISO reliability requirements (Attachment B). The ISO further states, "It would be acceptable for LECEF to stay interconnected to the transmission system in a present arrangement until the facility is converted to a combined cycle plant."

Finally, it should be noted that this Petition requests the continuation of an existing transmission line that has already been approved by the Commission. Therefore, the proposed relief will not result in any physical change to the environment.

## **1.2 Summary of Environmental Impacts**

Section 1769 (a)(1)(E) of the CEC Siting Regulations requires that an analysis be conducted that addresses the impacts the modification might have on the environment and proposed measures to mitigate any significant adverse impacts. In addition, Section 1769 (a)(1)(F) of the Siting Regulations requires a discussion of the impacts the modification might have on the project's ability to comply with applicable LORS. Section 3.0 of this Amendment includes a discussion of the potential environmental impacts of the electrical interconnection scheme, as well a discussion of the consistency of the modification with LORS. Section 3 concludes that there will be no significant environmental impacts associated with the Amendment and that the project as amended will comply with applicable LORS.

## **1.3 Consistency of Amendment with License**

Section 1769 (a)(1)(D) of the CEC Siting Regulations requires a discussion of the Amendment's consistency with the LORS and whether the modifications are based upon new information that changes or undermines the assumptions, rationale, findings, or other bases of the final decision.

As indicated by the March 24, 2003 PG&E System Impact/Facility Study and the April 27, 2004 letter from the ISO, the current tap line interconnection scheme is consistent with the applicable LORS.

The proposed modification in Order No. 04-121-06 is based upon new information. The new information includes the April 27, 2004 letter from the ISO indicating that the continued use of the current interconnection beyond July 2, 2005 will have no adverse system impacts. The new information also includes SVP's plans to construct a new 230 kV switching station on property between LECEF and the PG&E Los Esteros Substation. This presented LECEF with a new option for its transmission interconnection for Phase 2.

## 2.0 Description of Project Amendment

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Consistent with California Energy Commission Siting Regulations Section 1769 (a)(1)(A) and 1769(a)(1)(B), this section includes a complete description of the project modification, as well as the necessity for the amendment.

### 2.1 Project Description

Currently, the LECEF is interconnected to PG&E's 115 kV transmission system via a 152 foot long tap line to the Los Esteros-Nortech 115 kV circuit. The proposed modification is to delete the requirement that use of this interconnection expires on July 2, 2005.

### 2.2 Necessity of Proposed Change

Assuming that the Commission will grant the currently pending Application for Certification, this proposed modification is necessary to allow continued reliable interconnection between LECEF Phase 1 and the PG&E system. By granting this Petition, the Commission will eliminate any uncertainty whether the Applicant must construct a new underground transmission line prior to July 2, 2005, as required by the Commission Decision. Given the Project Owner's proposal to permanently connect the combined-cycle facility to the SVP transmission system, rather than to the PG&E transmission system, and given the ISO's April 27, 2004 letter confirming that the existing interconnection adequately satisfies the ISO reliability requirements, construction of an interim underground line to PG&E would be an extraordinary and unnecessary expense. Since the Phase 2 combined-cycle conversion includes a proposed change in interconnection from PG&E's transmission system to SVP's transmission system, the multi-million dollar underground line to the PG&E substation would only be used until Phase 2 is completed.

## 3.0 Environmental Analysis of the Project Changes

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The proposed modification is to allow continued use of a short, existing transmission tapline. The proposed modification does not result in any physical change in the environment. Therefore, the proposed modification will not result in any environmental impacts.

### 3.1 Air Quality

The continued operation of the existing transmission interconnection will not result in any air emission impacts.

### 3.2 Biological Resources

The continued operation of the existing transmission interconnection will not result in any biological resource impacts.

### 3.3 Cultural Resources

The continued operation of the existing interconnection will not result in any cultural resource impacts.

### 3.4 Land Use

The existing interconnection is on land that is zoned for industrial development and is appropriately zoned for the transmission lines and power plant.

The continued operation of the transmission line will not result in any land use impacts.

### 3.5 Noise

The continued operation of the existing interconnection will not result in any measurable increase in noise impacts over the existing noise environment.

### 3.6 Public Health

The continued operation of the existing interconnection will not result in any criteria or toxic air pollutants. Therefore, there will be no public health impacts from continued use of the current tapline.

### **3.7 Worker Safety and Health**

The continued operation of the existing interconnection will not result in any worker safety and health impacts.

### **3.8 Socioeconomics**

The continued operation of the existing interconnection will not result in any socioeconomic impacts.

### **3.9 Agriculture and Soils**

The continued operation of the existing interconnection will not result in any soil and agricultural impacts.

### **3.10 Traffic and Transportation**

The continued operation of the existing interconnection will not result in any traffic and transportation impacts.

### **3.11 Visual Resources**

The continued operation of the existing interconnection will not result in any visual resources impacts.

### **3.12 Hazardous Materials Management**

The continued operation of the existing interconnection will not involve the use of hazardous materials.

### **3.13 Waste Management**

The continued operation of the existing interconnection will not generate waste materials.

### **3.14 Water Resources**

The continued operation of the existing interconnection will not result in any water resource impacts.

### **3.15 Geologic Hazards and Resources**

The continued operation of the existing interconnection will not result in any geologic hazard and resource impacts.

### **3.16 Paleontological Resources**

The continued operation of the existing interconnection will not result in any paleontological impacts.

### **3.17 Cumulative Impacts**

This proposed modification will not change the assumptions or conclusions made in the Commission Decisions.

### **3.18 Laws, Ordinances, Regulations, Standards**

The proposed continued use of the current interconnection will continue to be in conformance with all applicable LORS..



## 4.0 Proposed Modifications to the Conditions of Certification

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Consistent with the requirements of the CEC Siting Regulations Section 1769 (a)(1)(A), this section addresses the proposed modifications to the project's Conditions of Certification.

No additional conditions of certification are applicable since the Petition for Modification only requests the deletion of the July 2, 2005 expiration date for the use of the current transmission interconnection.

## 5.0 Potential Effects on the Public

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Consistent with the requirements of the CEC Siting Regulations Section 1769 (a)(1)(G), this section addresses the proposed Amendment's effects on the public.

The continued operation of the existing interconnection will not adversely impact the public.

## 6.0 List of Property Owners

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Consistent with the CEC Siting Regulations Section 1769(a)(1)(H), this section lists the property owners affected by the proposed modifications:

City of San Jose:

Ms. Evet Loewen  
Chief Deputy City Attorney,  
City of San Jose, Office of the City Attorney  
151 West Mission Street  
San Jose, CA 95110  
Phone: 408-277-2401  
Facsimile: 408-277-3159  
Email: [evet.loewen.ci.sj.ca.us](mailto:evet.loewen.ci.sj.ca.us)

PG&E:

Mr. Tom Marki  
Project Manager  
4400 Mansfield  
Danville, CA 94506  
Phone: 925-736-3723  
Cell Phone: 415-302-6788  
Email: [TxM4@pge.com](mailto:TxM4@pge.com)

## 7.0 Potential Effects on Property Owners

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Consistent with the CEC Siting Regulations Section 1769(a)(1)(I), this section addresses potential effects of the proposed Amendment on nearby property owners, the public, and parties in the application proceeding.

Because the Petition request continuation of an existing use, there will be no change in the impact on the property owners.

# **ATTACHMENT A**

# **ATTACHMENT B**